

The City of

St. Marys

Georgia



POPULAR ANNUAL FINANCIAL REPORT

Governmental Structure – Performance Highlights – Financial Reviews



About the PAFR

As part of our commitment to provide our citizens information about their city, we are pleased to present this Citizen's Report, referred to as the Popular Annual Financial Report (PAFR). The PAFR is a brief summary of the City's financial results for the end of the fiscal year. The PAFR is intended to keep the citizens of St. Marys informed of how tax dollars are being spent through the use of an uncomplicated and an easily understandable report.

The financial information presented in this PAFR is extracted from the City's Comprehensive Annual Financial Report (CAFR), but is presented here in a summarized form. The CAFR received a favorable opinion from the City's independent auditors, Mauldin and Jenkins, LLC, confirming that the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP).

City funds presented within the PAFR are abbreviated and condensed. Unlike the CAFR, the PAFR is unaudited and is presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the City's component units and individual funds, as well as full disclosure of all material events, financial and non-financial, in the notes to the financial statements. The CAFR can be viewed by the public at City Hall and online through the City's website at <http://www.stmarysga.gov>. Thank you for taking the time to read our Citizens Report.




Message from The Mayor

To The Citizens of St. Marys;

Governmental financial statements can be difficult to understand due to required specific standards and guidelines. In an effort to provide citizens with an easy to read financial report for the City of St. Marys, we are happy to present the Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2018. We recognize the importance of being accountable for the receipt and expenditures of public funds, and we want to keep our citizens informed as to the City's financial position. Through this easier, more user-friendly report, the PAFR is another example of our commitment to better communicate with our citizens.

On behalf of the City of St. Marys Council, City Manager, and Finance Director, I thank you for taking a moment to read our financial report. We are proud to serve the citizens of St. Marys. We thank you for your support as we continue to strive to further enhance the level of financial accountability to our taxpayers. Questions and feedback is welcomed and encouraged.

Sincerely,

John F. Morrissey, Mayor
City of St. Marys

In This Report

Introduction.....	1
Principal City Officials.....	2
Vision Statement.....	3
City Mission Statement.....	3
City Goals.....	3
Budget Process.....	4
General Financial Information.....	5
Financial Review of Fiscal Year 2018..	6
Revenue and Expense Summary.....	8
Net Position and Fund Balance.....	9
Changes in Net Position.....	10
Debt Administration.....	11
Interesting Facts & Activities.....	12

Introduction

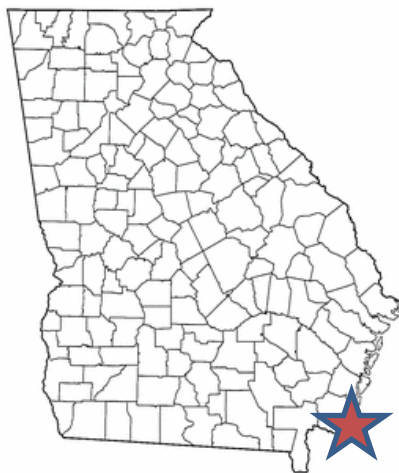


City of St. Marys

The City of St. Marys, situated at the southeast corner of Georgia in Camden County, was established around 1792 and was incorporated by the State of Georgia in 1802. It is said that St. Marys sits on land confiscated from two brothers of Royal Governor James Wright. Their banishment after the American Revolution resulted in the loss of their huge estate. The land then belonged to Jacob Weed. Weed sold land along the St. Marys River to nineteen other men. In 1788 Weed, together with these nineteen men, laid out the city. In 1799 the U. S. Congress made St. Marys a U. S. Port of Entry. After the act of prohibiting the importation of Slaves in 1808, St. Marys became a center for smuggling, particularly during the period of 1812-1819.

After the Civil War industrial development began in St. Marys with the emergence of lumber mills followed by more sawmills and canning plants specializing in preserving locally grown beans, sweet potatoes, and shrimp. For many decades lumber and fishing were the main source of income for the people of St. Marys.

Today, St. Marys is tied to its history and ecotourism. St. Marys is the gateway to Cumberland Island National Seashore and is considered to be a tourist destination, as well as, a bedroom community.





CITY OF ST. MARYS

Principal City Officials

Elected

Mayor

John F. Morrissey

City Council

Post 1

Robert L. Nutter

Post 4

David Reilly

Post 2

Elaine Powierski

Post 5

Allen Rassi

Post 3

Jim Gant

Post 6

Linda P. Williams

Appointed

City Manager

John J. Holman

City Clerk

Deborah Walker-Reed

Police Chief

Tim Hatch

Finance Director

Jennifer Brown

Fire Chief

Robert Horton

Human Resources Director

Donna Larson

City Engineer

Chris Cox

City Attorney

Gary Moore

Utilities Director

Bobby Marr



Our National Flag



Mayor, Council Members, and City Manager
Ready for the Mardi Gras Parade



St. Marys City Hall

City's Vision Statement

The City of St. Marys vision is to create a community of excellence governed by the principles of responsibility, fiscal soundness, accessibility, and service to the public, in an atmosphere rich in history and cultural significance, while retaining its natural beauty, charm, resources, and unique appearance; a community that attracts and maintains active and supportive citizens, with an enhanced quality of life and economic opportunity for all.



St. Marys Submarine Museum



Toonerville Trolley

City's Mission Statement

The mission of the City of St. Marys is to provide the most responsive and progressive public services, within the resources provided, so that our citizens can enjoy the best possible quality of life.

City Goals

- Provide cohesive economic development programs and initiatives in order to promote economic opportunity within the City.
- Assure our fiscal sustainability by ensuring quality municipal services and operations are provided efficiently and are financially sustainable.
- Enhance citizen engagement, involvement, and communications on City-related issues.
- Strengthen Military/City relationships and partnerships.
- Support and develop infrastructure within the City to meet current standards and plans for the future in a financially sustainable manner.
- Provide environmental stewardship and sustainable management of our natural resources and history (structures and culture).



First Presbyterian Church Founded in 1808

Budget Process

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department, and is closely monitored throughout the year. Additionally, expenditures, revenues and performance data are monitored in order to ensure the successful implementation of the City's service plan.

In the spring of each year, Finance provides each department with budget worksheets to request personnel service, capital outlay, and operating expenditures for the coming fiscal year. Each Department Manager meets with the City Manager and the Finance Director to review the requests and answer any questions. These requests are compiled and form the recommended budget, which is presented to the Mayor and Council at a budget workshop. After Council's review, necessary adjustments are made to the proposed budget. A public hearing is advertised and held where the proposed budget is presented to the public. Council then adopts the budget before the beginning of the new fiscal year. As conditions change or circumstances are altered during the year, the budget can be adjusted or amended with Council approved budget ordinances as regulated by the Official Code of Georgia (O.C.G.A 36-81-3). The budget must be balanced for all budgeted funds.

In addition to the annual operating budget, the City prepares a five year capital plan that is updated on an annual basis. The most recent plan update for years 2018 through 2022 identifies projects and funding that total \$4.7 million and includes major categories of water and sewer, public buildings, parks and recreation, community development, drainage, streets and traffic improvements. The General Fund is projected to contribute \$2.1 million of the funding for the five year plan.



Entrance to the Howard Gilman Waterfront Park

General Financial Information

The City of St. Marys provides full services for its citizens which include police and fire protection, community planning and development, building-code enforcement services, construction/road repair, water and sewer utilities, along with other support duties. These services operate and are accounted for on a fund basis as set forth by the Generally Accepted Accounting Principles (GAAP). A fund is an autonomous accounting entity with a self-balancing set of accounts. Fund Accounting segregates funds for specific purposes in accordance with laws and regulations or special restrictions and limitations.



Orange Hall c. 1830 Ready for Christmas

The current funds used by the City are General Fund, Special Revenue Funds, Capital Improvements Fund, and Enterprise Funds.

General Fund is used to finance all general government operations necessary to serve its citizens. St. Marys General Fund consists of: Administration, Finance, Municipal Court, Police, Fire, Public Works, Planning & Zoning, Building, and Economic Development.

Special Revenue Funds are established to account for proceeds that must be used for a specific project. These monies are legally restricted and the Special Revenue Fund provides an extra level of accountability to the taxpayer that the funds were expended on the intended purpose. St. Marys has (5) five Special Revenue Funds: Confiscated Assets Fund, Multi-Grant Fund, Convention & Visitors Bureau Fund, Hotel/Motel Tax Fund, and TAD (Tax Allocation District).

Capital Improvements Funds are established to account for financial resources used for the acquisition or construction of major capital projects. St. Marys has (2) two Capital Improvements Fund (SPLOST VII) and the local maintenance improvement grant (LMIG).

Enterprise Funds are established to account for services provided to the public on a user charge basis. There are three (3) Enterprise Funds: Water/Sewer Fund, Solid Waste Fund, and Aquatic Center Fund.

Financial Review of Fiscal Year 2018

The Financial Review Section provides information on the financial health and stability of the City of St. Marys. The City's use of fund accounting ensures and demonstrates compliance with finance-related requirements. In this report, government-wide financial statements are provided to the reader which will present a broad overview of the City of St. Marys finances in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. For more detailed information the reader can review the CAFR which can be viewed by the public at City Hall and online through the City's website at <http://www.stmarysga.gov>.

Governmental Funds:

The governmental activities of the City include general government, public safety, public works, health and welfare, judicial, housing and development, culture and recreation, and interest on long-term debt. The business-type activities include Water and Sewer, Solid Waste, and the Aquatic Center.

The tables below show the sources of revenues and expenditures for the government, highlighting how the government received its funding and where the funds were spent. Fiscal year FY2017 is also presented for year to year comparison. The Industrial Development, Downtown Development, Convention & Visitors Bureau and Cemetery Authorities are not included in the tables below.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 1,533,243	\$ 1,386,352	\$ 8,905,028	\$ 8,347,822	\$ 10,438,271	\$ 9,734,174
Operating grants and contributions	-	261,385	42,000	-	\$ 42,000	261,385
Capital grants and contributions	4,602,481	2,183,872	-	-	\$ 4,602,481	2,183,872
General revenues:						
Property taxes	3,722,766	3,520,121	-	-	\$ 3,722,766	3,520,121
Franchise taxes	969,126	996,179	-	-	\$ 969,126	996,179
Sales taxes	1,844,924	1,753,020	-	-	\$ 1,844,924	1,753,020
Hotel/motel taxes	139,172	157,570	-	-	\$ 139,172	157,570
Other taxes	1,408,542	1,348,895	-	-	\$ 1,408,542	1,348,895
Unrestricted investment earnings	5,867	5,034	16,731	7,867	\$ 22,598	12,901
Gain on disposal of capital assets	-	-	7,684	-	\$ 7,684	-
Miscellaneous	-	2,351		22,055		24,406
Total revenues	14,226,121	11,614,779	8,971,443	8,377,744	23,197,564	19,992,523

Continued

Expenses

Governmental activities:

General government	5,663,402	2,762,386	-	-	5,663,402	2,762,386
Public safety	4,262,525	4,069,083	-	-	4,262,525	4,069,083
Public works	1,936,690	2,213,808	-	-	1,936,690	2,213,808
Health and welfare	152,029	145,040	-	-	152,029	145,040
Judicial	188,366	187,872	-	-	188,366	187,872
Culture and recreation	379,147	520,280	-	-	379,147	520,280
Housing and development	744,961	737,632	-	-	744,961	737,632
Interest on long-term debt	25,614	25,381	-	-	25,614	25,381

Business-type activities:

Water and Sewer	-	-	7,575,655	8,291,427	7,575,655	8,291,427
Solid Waste	-	-	1,156,030	1,222,388	1,156,030	1,222,388
Aquatic Center	-	-	433,650	449,460	433,650	449,460

Total Expenses	13,352,734	10,661,482	9,165,335	9,963,275	22,518,069	20,624,757
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Increase (decrease) in net position before transfers

873,387	953,297	(193,892)	(1,585,531)	679,495	(632,234)
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Transfers

(1,654,050)	(1,669,300)	1,654,050	1,669,300	-	-
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Increase (decrease) in net position

(780,663)	(716,003)	1,460,158	83,769	679,495	(632,234)
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Net position, beginning

22,733,058	23,449,061	39,269,113	39,185,344	62,002,171	62,634,405
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Net position, ending

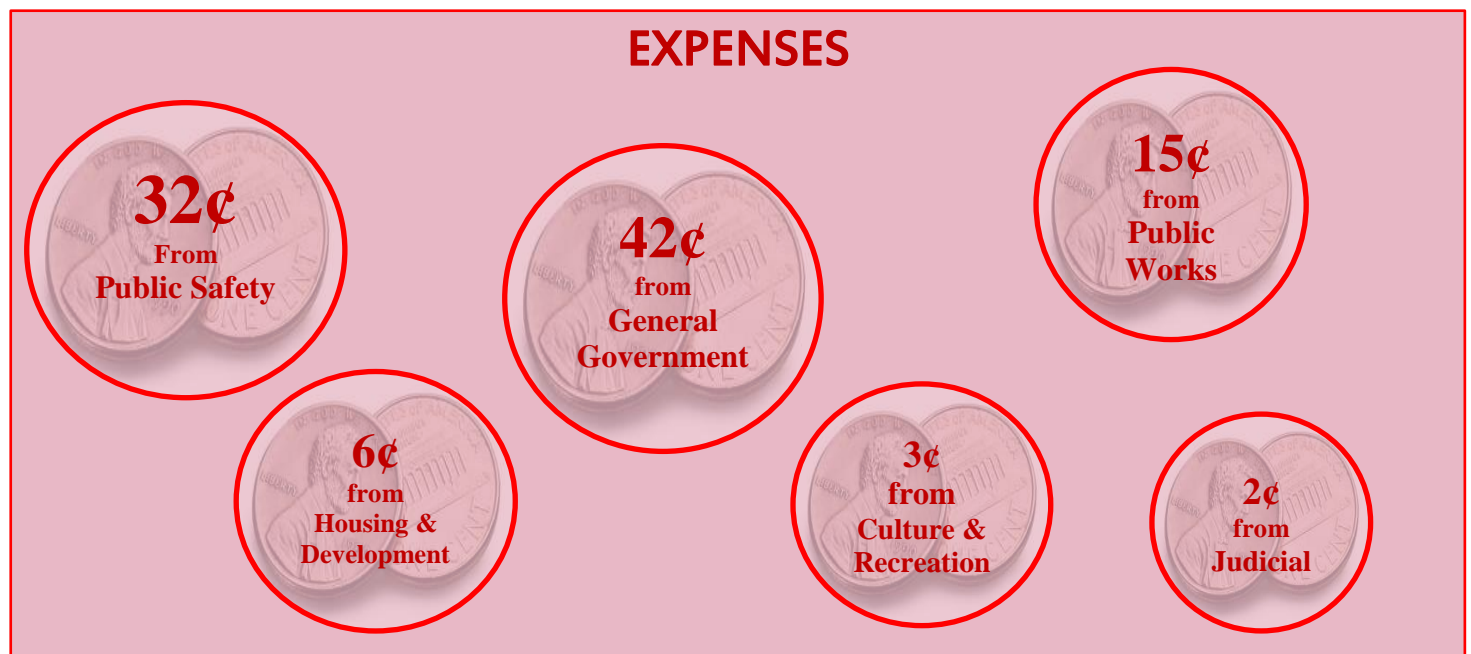
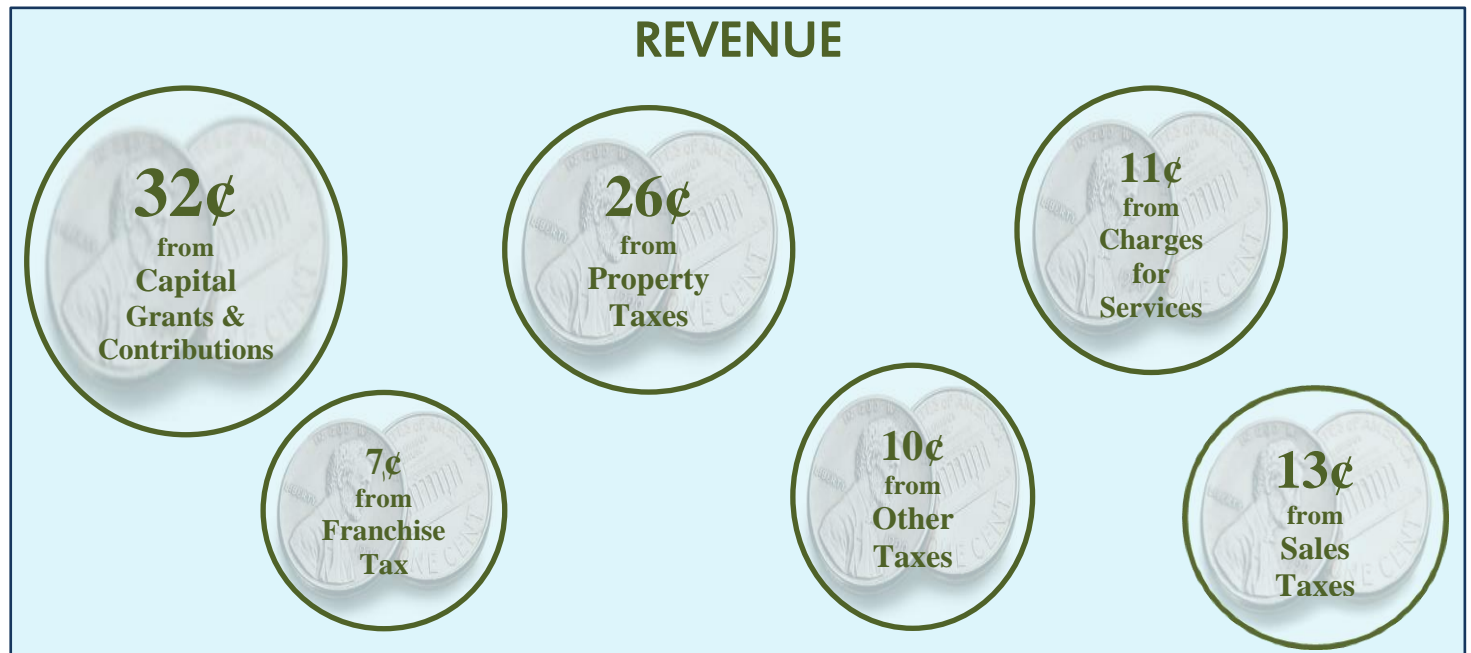
\$ 21,952,395	\$ 22,733,058	\$ 40,729,271	\$ 39,269,113	\$ 62,681,666	\$ 62,002,171
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Display in the St. Marys Annual Scarecrow Stroll

Revenue and Expense Summary

The chart below displays governmental activity results for the fiscal year 2018 in cents to provide an easy to understand summation of the activity. (EXAMPLE: Property taxes make up 26¢ of every \$1 received; Public safety makes up 32¢ of every \$1 spent, etc.)



Net Position and Fund Balance

The major indicator of the overall financial health of any entity is the fund balance, which is defined as the difference between assets and liabilities in a governmental fund. The fund balance is reported in two components; *reserved* and *unreserved*. When fund balance is reserved, it either means that the resources are in a form that cannot be appropriated and spent (such as inventory) or that the resources are legally limited to being used for a particular purpose. The portion that is *unreserved* can be used for any purpose of the fund in which it is reported. *The unreserved* fund balance is not legally limited to any specific purpose; however, a government can *designate* some of the unreserved fund balance to express its intention to use available resources in a particular manner. This intention is not legally binding, but it does communicate a government's plan for use when resources become available.

As of June 30, 2018, unassigned fund balance in the General Fund was favorable to the policy guidelines set by the City for budgetary and planning purposes. It has been the goal to ensure the City maintains and continues to maintain at a minimum, unassigned fund balance in its General Fund of no less than four months of regular General Fund operating revenues or regular General Fund operating expenditures (GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions).



Evening at the Howard Gilman Waterfront Park

Changes in Net Position

City of St. Marys - Changes in Net Position

	Total			
	2018	2017	Increase (Decrease)	Percentage Change
Revenues				
Program revenues:				
Charges for services	\$ 10,438,271	\$ 9,734,174	\$ 704,097	7.2%
Operating grants and contributions	42,000	261,385	\$ (219,385)	-83.9%
Capital grants and contributions	4,602,481	2,183,872	\$ 2,418,609	110.7%
General revenues:			\$ -	
Property taxes	3,722,766	3,520,121	\$ 202,645	5.8%
Franchise taxes	969,126	996,179	\$ (27,053)	-2.7%
Sales taxes	1,844,924	1,753,020	\$ 91,904	5.2%
Hotel/motel taxes	139,172	157,570	\$ (18,398)	-11.7%
Other taxes	1,408,542	1,348,895	\$ 59,647	4.4%
Unrestricted investment earnings	22,598	12,901	\$ 9,697	75.2%
Gain on disposal of capital assets	7,684	-	\$ 7,684	1000.0%
Miscellaneous	-	24,406	\$ (24,406)	-100.0%
Total revenues	23,197,564	19,992,523	\$ 3,205,041	16.0%
Expenses			\$ -	
Governmental activities:			\$ -	
General government	5,663,402	2,762,386	\$ 2,901,016	105.0%
Public safety	4,262,525	4,069,083	\$ 193,442	4.8%
Public works	1,936,690	2,213,808	\$ (277,118)	-12.5%
Health and welfare	152,029	145,040	\$ 6,989	4.8%
Judicial	188,366	187,872	\$ 494	0.3%
Culture and recreation	379,147	520,280	\$ (141,133)	-27.1%
Housing and development	744,961	737,632	\$ 7,329	1.0%
Interest on long-term debt	25,614	25,381	\$ 233	0.9%
Business-type activities:			\$ -	
Water and Sewer	7,575,655	8,291,427	\$ (715,772)	-8.6%
Solid Waste	1,156,030	1,222,388	\$ (66,358)	-5.4%
Aquatic Center	433,650	449,460	\$ (15,810)	-3.5%
Total Expenses	22,518,069	20,624,757	\$ 1,893,312	9.2%
Increase in net position	679,495	(632,234)	\$ 1,311,729	-207.5%
Net position, beginning	62,002,171	62,634,405	\$ (632,234)	-1.0%
Net position, ending	\$ 62,681,666	\$ 62,002,171	\$ 679,495	1.1%

The City's total revenues before transfers were \$23.2 million in FY2018. Expenses were \$22.5 million. Governmental and business-type activities combined provided a \$.679 million increase in net position.

Debt Administration

The City of St. Marys' total long-term debt consists of bonds, general obligation bonds, long-term notes, capital leases, and compensated absences.

At June 30, 2018 the City had \$1,266,716 of outstanding debt related to governmental activities and \$41,160,853 of outstanding debt related to business-type activities, for a total of \$42,427,569 compared to the previous year's total of \$45,167,198. This is a decrease of \$2,739,629. This does not include compensated absences. The CAFR can be reviewed for a more detailed perspective of the City's debt.

The City has continued to maintain an "AA" rating from Standards & Poor's for the past several years.



St. Marys Aquatic Center

Interesting Facts and Activities

City Facts

- Incorporated in 1792
2nd Oldest City in the United States
- The site of Timucuan Indian Village
- Mayor-Council Government
- Tax Rate 6.5 mills
- Population – 17,968 (2015 est.)



Rocks are hidden throughout St. Marys and the Community



St. Marys Waterfront



4th of July Festival

City Activities

(sponsored by the City and various community organizations)

- Mardi Gras Festival
- 4th of July Festival
- St. Marys Rock Shrimp Festival
- St. Marys Scarecrow Stroll
- St. Marys Haunted History Tour
- St. Marys Whiting Lighting
- Christmas in the Park
- Christmas Tour of Homes
- Candlelight Stroll & Caroling
- Live Nativity at Orange Hall
- St. Marys Community Market
- Food Truck Saturdays
- Music in the Park (seasonal)